

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,

NO. 19-CR-20146

vs.

HON. PAUL D. BORMAN

D-1 NORWOOD JEWELL,

Defendant.

SENTENCING MEMORANDUM OF THE UNITED STATES

I. Introduction

Norwood Jewell reached nearly the pinnacle of leadership of the venerable United Auto Workers union after his election as Vice President in charge of the UAW's Chrysler Department. Instead of seizing the opportunity to zealously and honorably represent the interests of the union's members and their families, Jewell chose to serve his own interests and to live the life of a big shot and fat cat. Jewell accepted tens of thousands of dollars of illegal, prohibited payments for his own personal benefit from Fiat Chrysler Automobiles U.S. ("Fiat Chrysler"). Jewell also chose to illegally use Fiat Chrysler's money to defray certain of the union's costs, including sumptuous meals and entertainment for the UAW's top brass.

Through his actions, Jewell undermined and betrayed the confidence and trust the UAW's members had placed in him to serve as their sworn representative in negotiations with Fiat Chrysler. If that alone were not bad enough, Jewell's actions also eroded public confidence in our country's collective bargaining system and sullied the reputations of all honest trade unionists in the UAW. Jewell took cigars, big steaks, first class airfare, rounds of golf, villas, lavish entertainment, and personalized bottles of wine because he lost sight of the true reason the UAW's members were paying him a salary and compensation amounting to hundreds of thousands of dollars. Jewell's breach of trust and his damage to UAW members' faith in their union deserves just punishment. Other union officials and the leadership of all labor unions need to know that such conduct will not be tolerated. Union leaders need to know that they have a solemn duty to represent their members, not to leverage their positions of trust for their own personal benefit and greed.

II. Analysis of Sentencing Factors

A. Sentencing Guideline Issues

1. Guideline Range and the Amount of Illegal Payments

The parties are in agreement as to the correct sentencing guideline range applicable in this case. In the Rule 11 agreement, the parties agreed that the amount of prohibited Taft-Hartley payments for which Jewell is responsible is between \$40,000 and \$95,000, for a 6-level enhancement. Jewell also received enhancements

based on his leadership role in the conspiracy and his breach and abuse of his position of trust within the UAW.

2. Applicable Sentencing Guideline Range

Jewell's sentencing guideline range is 12 to 18 months. Under the terms of the plea agreement, the possible sentence of imprisonment was capped at 18 months under Federal Rule of Criminal Procedure 11(c)(1)(C). The government also agreed to recommend a sentence no more than the mid-point of the guideline range.

3. Sentences of Other UAW Officials in This Case

Three other UAW officials have already been sentenced based on their involvement in the conspiracy. Co-defendant Virdell King, who worked for Jewell, was sentenced to two months in prison after the Court granted the government's motion for a downward departure from the guideline range of 10 to 16 months based on her cooperation. King was held responsible for the same amount of prohibited payments as Jewell, but she was not given a leadership role enhancement.

Keith Mickens, who also worked for Jewell, was sentenced to 12 months in prison following a downward departure motion from his guideline range of 24 to 30 months based on his cooperation. It should be noted that Mickens faced a higher guideline range than Jewell does because Mickens had approved hundreds of thousands of dollars in illegal payments that went from Fiat Chrysler for the personal

benefit of UAW Vice President General Holiefield before Jewell took over the Chrysler Department.

Finally, co-defendant Nancy Johnson, who worked as Jewell's top assistant, was sentenced to 12 months in prison based on a guideline range of 12 to 18 months. Johnson was held accountable for the same amount of prohibited payments as Jewell.

B. Seriousness of the Offense

1. Background

The Taft-Hartley Act seeks to deter and punish the real danger that union officials, who are supposed to represent the best interests of their members, could be corrupted by corporations seeking to buy labor peace or bribe their way to concessions at the bargaining table. This prosecution has revealed that there was a culture of corruption in the senior leadership of the United Auto Workers union. Leaders of the UAW viewed the National Training Center as a mechanism to take apparently unlimited and illegal payments from Fiat Chrysler for their own personal benefit, for the benefit of the union itself, and for their own lavish entertainment.

From 2014 through 2017, Norwood Jewell was one of the very top officials in the UAW. Unlike the three other appointed UAW officials previously convicted and sentenced in this case, Jewell was actually *elected* by the membership to represent their interests. When Jewell became the Vice President in charge of the

Chrysler Department in June 2014, he was brand new to the department, having previously served in the UAW's GM Department. Jewell was not directly connected to the culture of corruption that had long been in place in the UAW's Chrysler Department under Vice President Holiefield. Jewell's involvement in the conspiracy and his acceptance of prohibited payments from Fiat Chrysler were not to the level of Holiefield's graft and misappropriation. Although the size of the illegal payments Jewell accepted was much lower than Holiefield, Jewell still made the conscious and criminal decision to participate in the conspiracy and to bask in the culture of corruption. As set forth below in detail, Jewell chose to embrace the malfeasance, rather than to clean house.

2. Jewell's Involvement in the Criminal Conspiracy

a. Jewell Took Illegal Payments for His Own Personal Benefit

Jewell's involvement in the conspiracy and his acceptance of illegal payments took several forms. First, Jewell accepted prohibited payments from Fiat Chrysler for his own personal benefit. For example, for two months in January and February 2016, UAW Vice President Jewell resided at a three-bedroom villa with a private pool and hot tub in Palm Springs, California.



Part of the cost for Jewell's villa was paid for with \$8,926.93 in training center money supplied by Fiat Chrysler. Ostensibly, Jewell was in Palm Springs in order to attend a National Training Center UAW-FCA Health and Safety conference

scheduled to occur from February 1 through February 4. In addition, there was a joint UAW-FCA World-Class Manufacturing conference from February 9 through February 11. However, Jewell used and retained the villa for all of January and February 2016. Similarly, for at least a month in 2015, Jewell used over \$2,000 in Fiat Chrysler money to partly pay for another three-bedroom villa with a pool in Palm Springs, with the remainder of the cost of the villa being paid with the dues of the UAW membership.

In order to get to his private villa, in December 2014, Jewell flew first class to Palm Springs, at a cost of \$1,839.70, paid for by Fiat Chrysler. Again, in December 2015, Jewell flew first class to Palm Springs at a cost of \$3,285.20 from his National Training Center credit card, paid for by Fiat Chrysler.

While living in Palm Springs in 2015 and 2016, Jewell enjoyed multiple rounds of golf and other entertainment at the Indian Canyons Golf Resort. In total, Jewell used his NTC credit card, provided and paid by Fiat Chrysler, for \$6,681.12 in purchases at the resort. The expenses that Jewell himself charged at the Indian Canyons resort included twenty-nine rounds of golf, golf club rentals, golf balls, meals, beer, and liquor for himself and other high-level UAW officials. At that same time in early 2016, Jewell approved co-defendant Nancy Johnson's use of her training center credit card to pay for an additional \$1,852.77 in expenses at the golf resort for the entertainment of UAW officials in Palm Springs.

Of course, while Jewell and other UAW officials were playing rounds of golf during the day paid for by Fiat Chrysler, they were dining in the evenings on filets, wine, and liquor, also paid for by Fiat Chrysler. This sequence of events gives a flavor of the lifestyle that Jewell lived as a UAW Vice President. Rather than the concerns of his membership, it is apparent that Jewell was most concerned with fancy meals, rounds of golf, and other perquisites of being at the highest level of the UAW's leadership team.

Jewell also received a number of personal items paid for using the NTC credit cards as paid for by Fiat Chrysler. In October 2014, Jewell received \$1,259.17 in luggage, and he received an Italian-made Beretta shotgun costing \$2,182 as a birthday present in August 2015, which was ordered and purchased by co-defendants Johnson and King:



In October 2015, Jewell used his NTC credit card to spend \$468.86 at Wild Bill's Tobacco store. Later, after Jewell learned of the federal investigation, he gave money to the National Training Center for the cost of the luggage and the shotgun.

b. Jewell Used Fiat Chrysler Money to Benefit His Friends

Jewell also used Fiat Chrysler money in order to entertain his close friends. In May 2015, in Orlando, Florida, Jewell directed co-defendant Virdell King to buy \$2,130.02 worth of Disney World theme park tickets for Jewell's best friend and his family. Jewell's friends got four 5-Day Disney Park Hopper tickets for \$403.64 each and two 2-Day Disney tickets for \$257.73 each. In addition, Jewell gave his friends Universal Studios passes at a cost of \$217.26 each. These tickets and passes were all paid for with Fiat Chrysler money.

c. Jewell Used Fiat Chrysler Money for Lavish Dining for Himself and other UAW Officials

Jewell used the Fiat Chrysler funded credit cards to pay for extravagant meals for himself and other UAW officials that were completely unrelated to the business of the National Training Center. For example, on July 14, 2015, Jewell caused one of his UAW subordinates to pay for a meal costing \$7,694.07 at the London Chop House in Detroit. The meal was for the UAW's national negotiating committee to kick off the UAW's negotiations for the collective bargaining agreement. That same day, Jewell caused another \$800.30 in Fiat Chrysler funds to be spent for top UAW officials to smoke cigars and drink more liquor at the London Chop House's cigar bar. The meal and cigar party for UAW officials on July 14 had nothing to do with the National Training Center, and there were no Fiat Chrysler executives present for the event.

Later, after the completion of the bargaining negotiations between the UAW and Fiat Chrysler in September 2015, Jewell caused another \$6,912.81 to be spent at the London Chop House for Jewell, the UAW President, and the negotiating team to celebrate a collective bargaining agreement with Fiat Chrysler. The extravagant meal at the chop house was again paid for with Fiat Chrysler funds. Soon thereafter, the membership of the UAW voted to reject the proposed agreement negotiated by Jewell and his team.

d. Jewell and Lavish Dining in Palm Springs

While living and golfing in Palm Springs, Jewell used his NTC credit card, and he caused his subordinates to use their NTC credit cards, to pay for a series of sumptuous meals at high-end restaurants. For example, on February 3, 2016, Jewell directed a subordinate to spend \$6,081.04 for a meal and liquor at Melvyn's Restaurant in Palm Springs for high-level UAW officials. On February 12, 2016, Jewell spent \$3,583.47 in Fiat Chrysler money to pay for a meal at the Palm Springs Steak & Chop Restaurant. A year prior, on January 9, 2015, Jewell spent \$7,569.55 in Fiat Chrysler money for a meal and drinks at LG's Prime Steakhouse in Palm Springs. Then, on January 18, 2015, Jewell, co-defendant Johnson, and other UAW officials went back to the LG's steakhouse for a \$4,587.04 meal for themselves and other UAW officials. Three days later, on January 21, 2015, Jewell caused co-defendant Johnson to pay for a party bus with her NTC credit card to take Jewell, Johnson, and other high-level UAW officials from Palm Springs to a restaurant in La Jolla, California. The extravagant meal and drinks in La Jolla were paid for with UAW dues money. The January 21, 2015 feast in La Jolla was followed days later by a January 23 meal for \$3,372.74 at Spencer's Restaurant, paid for at Jewell's direction by Fiat Chrysler. The next night saw a \$6,200.05 meal. This was followed by a \$4,147.74 meal on January 28, 2015, and a "less" expensive meal for \$2,935.77

on February 5, 2015—again, all paid for at Jewell’s approval and direction using the NTC credit card and Fiat Chrysler money.

**e. Jewell Hosted Parties for the UAW’s
Board Paid for by Fiat Chrysler**

Another way that Jewell accepted prohibited payments was that Jewell approved of and hosted two over-the-top parties paid for by Fiat Chrysler where the members of the UAW’s International Executive Board (“IEB”) were wine and dined on Fiat Chrysler’s dime. In August 2014, within just two months of his start as Vice President, Jewell caused \$25,065.25¹ in Fiat Chrysler money to be used to pay for a decadent party on the grounds of the National Training Center for the purpose of entertaining the members of the UAW’s IEB, including the Regional Directors, other Vice Presidents, and the union’s President. Fiat Chrysler executives did not attend the party, and it was not a joint FCA/UAW event. During the party, attendees received personalized bottles of wine, each bottle with a special label inscribed with the statement: “MADE ESPECIALLY FOR YOU BY UAW VICE PRESIDENT NORWOOD JEWELL IN THE USA.”

¹ It should be noted that the government and the defendant agreed not to include the entire cost of the two parties for purposes of calculating the sentencing guidelines because arguably some portion of the cost of the events at the training center could be justified as an expense for the purpose of giving the IEB members a tour of the facility. Obviously, however, many of the expenses actually incurred and paid for could not be justified for any reason, either as a legitimate NTC expense or a legitimate union business expense.



The “M” on the label from the word “MADE” was caused to be the maize and blue Block M from the University of Michigan’s logo. This was done because Jewell is a big fan of the Wolverines. In total, the seventy-two personalized bottles of wine cost \$3,069.89. The costs of the August 2014 party also included \$7,089.36 spent on cigars, which were liberally distributed to the party goers. This included twenty boxes of cigars and twenty individual premium cigars. An additional \$6,531 was spent on rental furniture, including “Mojito Tables” and “20 Cigar ash trays.” It is apparent that the blow-out party at the NTC by Jewell was an opportunity for Jewell to showcase his position and to curry favor with the UAW’s leadership, with an eye towards future union leadership positions for Jewell.

In August 2015, Jewell hosted a second lavish party at the National Training Center for the UAW’s IEB. The second party was even more extravagant than the

first. Again, all paid for by Fiat Chrysler. The second party was based on a theme of the 1980's television show "Miami Vice," and the party cost \$31,165.99. It included artificial palm trees, which were strategically placed on the grounds. It also included special "Kandy Girls." The Kandy Girls were dressed in provocative outfits, and it was their role to stroll about and light the cigars of UAW bosses. Some female UAW officials who attended the event were disgusted by the display. The Kandy Girls cost \$750 in Fiat Chrysler money. Cigars were also supplied to the UAW's bosses at Jewell's party. A further \$900 was paid for the services of a cigar roller. The party included "ultra premium" liquor paid for courtesy of Fiat Chrysler. It should be noted that Jewell contends that he had no prior knowledge of any of the extravagant parts of the parties, and that his underlings are really to blame. This claim rings hollow, however, given that Jewell was in charge, and he had obviously seen the nature of the party the first time around in August 2014, prior to the party the following year.

Finally, another aspect of Jewell's involvement in the conspiracy was his willingness to use Fiat Chrysler money to absorb expenses for the UAW. As part of his guilty plea, Jewell acknowledges failing to apportion expenses that should have been paid for by the UAW, but instead Jewell had Fiat Chrysler pay for the cost of these union expenses.

3. **The Seriousness of Jewell's Crime**

There is no question that Jewell's participation in the Taft-Hartley conspiracy was a serious offense. Jewell's *counsel* openly acknowledges as much. It should be noted that Jewell's criminal activity was not the same as that of Holiefield and co-defendant Monica Morgan. Holiefield used his position as UAW Vice President to take hundreds of thousands of dollars in prohibited payments from Fiat Chrysler to satisfy his greed. Jewell did not engage in this type of open acceptance of cash, and his guideline range properly reflects the lower amount of prohibited payments that Jewell accepted. Jewell's wrongdoing centered on using Fiat Chrysler money to live a lavish lifestyle and to provide such a lifestyle to other high-level UAW officials. Jewell accepted money generously supplied by the car company with whom he was negotiating a collective bargaining agreement that would affect the wages, benefits, and working conditions of tens of thousands of workers. Rather than conduct those negotiations at arm's length, Jewell's arms were reaching towards the deep pockets of Fiat Chrysler.

As is evident from the description of Jewell's involvement in the Taft-Hartley conspiracy as set forth above, Jewell was not focused on zealously representing the interests of UAW members and their families. Instead, while thousands of UAW members worked hard every day at factories, Jewell was living the absolute high life in Palm Springs for extended periods of time in January and February of 2015 and

2016. Jewell golfed during the day and ate prime steaks at top restaurants during the night, all while living in a three-bedroom villa with a private pool and hot tub. Of course, Jewell's high-flying lifestyle was paid for by Fiat Chrysler with money funneled through the National Training Center. Jewell also used Fiat Chrysler money to send his close friends to Disney World, fly first class, and acquire brand new luggage. As for the UAW members on the factory line across the country, their day-to-day concerns and grievances were far from Jewell's mind.

As one of the UAW's top leaders, Jewell should have been dedicated to improving the working lives and conditions of the tens of thousands of UAW members. As the ultimate authority over the joint UAW/FCA National Training Center, Jewell should have been ensuring that the millions of dollars made available for the purpose of training and health and safety through the center were used for their intended purpose. He also should have been working to ensure that his subordinates like co-defendants Nancy Johnson and Virdell King were not taking illegal payments. Instead, Jewell chose to ignore his fiduciary responsibilities and his sacred trust to the UAW's members in order to live a life of luxury.

Although Jewell asserted in his Rule 11 Agreement and at his guilty plea hearing that he was simply following a culture of corruption that was put in place by former UAW Vice President General Holiefield, the reason the UAW's membership placed its trust in Jewell as Vice President was so that he would exercise *leadership*

on behalf of them and their families, not happily join a corrupt culture. The \$7,839 in Fiat Chrysler training money that Jewell spent on cigars and women in skimpy outfits to light the cigars of the UAW's bigwigs was money that had actually been allocated to be spent on the safety and training of the UAW's members.

C. Respect for the Law and Just Punishment

The Court's sentence for Jewell's crimes needs to promote respect for the law and impose just punishment for his misconduct. Jewell was an elected Vice President of the UAW, and he intentionally acted to violate federal law for his own personal benefit and for the benefit of other senior UAW officials. Over 45,000 hourly employees for FCA were represented by the UAW during the period of the conspiracy. These men and women believed that their union leaders were looking out for their best interests and negotiating in good faith, not double dealing them for personal gain. Through their involvement in this criminal conspiracy, however, Jewell and other senior UAW leaders were accepting corrupt payments from Fiat Chrysler and its executives. It is difficult to calculate the harm that resulted to the grievance process, the bargaining process, and labor relations generally. There is no doubt, however, about the need to impose punishment for the wrongdoing and to vindicate the rule of law in the face of such long-standing and extensive criminal conduct.

The Court's consideration of a just sentence should take into account the fact that this case is similar to a public corruption case. Jewell had been elected by the UAW's membership to serve as a Vice President. Because of Jewell's involvement in the Taft-Hartley conspiracy, Jewell has significantly damaged the confidence of the UAW's members in their union and its leadership. Years of faithful service by prior UAW leaders were substantially damaged by Jewell's faithless and greedy choices. It is difficult to determine how the UAW's members and their families can maintain trust in the collective bargaining negotiations that Jewell led in 2015 given his acceptance of tens of thousands of dollars in prohibited payments from Fiat Chrysler at the very time of those negotiations. The rule of law should be vindicated, and the damage done by Jewell recognized through the Court's sentence.

D. Deterrence

Millions of Americans are members of labor unions. They depend on the leadership of their unions to act aggressively in the best interests of the membership and their families. Southeast Michigan especially is a center of the labor movement. Given the importance of the integrity of good faith and honest-dealing in labor-management negotiations, general deterrence is a critical component of the Court's sentence in this case. Senior union officials need to know that labor corruption will be punished. They need to know that they occupy positions of trust over their members and their families. Union leaders must conduct themselves at the highest

level of honesty, integrity, and transparency. Union leaders in Detroit and across the country are watching this case, and the Court can instruct those union officials with the knowledge that union officials who accept or facilitate illegal payments from employers will receive significant punishment.

III. Conclusion

Jewell was a top leader of the UAW. He held a position of trust and authority after being elected by the union's membership to serve their best interests. Jewell committed serious crimes in service of his greed and ambition. He should be punished for his conduct. The Court should ensure that other union leaders in Jewell's position of trust know that they will be punished if they violate the law and betray their members' trust. Under all of the circumstances of this case, the Court should sentence Jewell to a term of 15 months of imprisonment and a substantial fine so as to achieve the goals of Section 3553(a).

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Dated: July 30, 2019

CERTIFICATE OF SERVICE

I hereby certify that on July 30, 2019, I electronically filed the foregoing document with the Clerk of the Court using the ECF system, which will send notification of such filing to the following:

Counsel of Record for Norwood Jewell

s/David A. Gardey
DAVID A. GARDEY
Assistant United States Attorney

Dated: July 30, 2019